

6 May 1953

MEMORANDUM FOR: CHIEF, ECONOMIC WARFARE DIVISION

SUBJECT: Food Gift to Hungary

1. This morning I attended a meeting chaired by Mr. Schaetzel of the State Department to consider a proposal presented by Mr. Cox of the PSB for donating surplus dried milk to Hungary held by the Commodity Credit Corporation. Economic specialists from the Departments of State and Agriculture also were in attendance.

2. The Commodity Credit Corporation is about to issue a press release announcing the details for the disposal of 100,000 tons of dried milk. It will be made available free of charge to domestic welfare projects, the school lunch program, etc. It is anticipated that the bulk of it will be distributed abroad by American welfare agencies such as CARE, FRIENDS, and the NATIONAL CATHOLIC WELFARE COMMITTEE. The Commodity Credit Corporation also advises that in addition to dried milk, a great quantity of cheese and butter will become available within the near future for similar disposal before the perishable stage becomes too evident.

3. The PSB is considering the feasibility of making emergency food shipments to Hungary from the surplus stocks of the Commodity Credit Corporation. These shipments would be distributed through U. S. welfare groups by sending representatives behind the Curtain. The idea was prompted by Mr. Ravendal's (U. S. Minister at Budapest) frequent reports about famine conditions and the shortage of milk, fats, butter and meat in Hungary.

4. The State Department representatives at the meeting made it definitely clear that they were not in a position to approve or reject the PSB proposal at this time. However, they presented the following thoughts for consideration:

a. Famine conditions in Hungary resulting from the 1952 summer and fall drought appear to be immensely improved; spring crop looks good; and it is highly likely that any food contribution from the U. S. at this time would be rejected.

b. Care must be taken

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b. Care must be taken not to make a grand display of offering food to areas behind the Curtain unless we are prepared to extend similar aid to our Allies such as in the case of India.

c. The U. S. Government would lay itself open to Orbit and Western attacks that we are dumping surplus food products considered as unfit for U. S. consumption.

d. Dried milk is not a normal food in Hungary and there is great doubt that the people would know what to do with it even though they might be near starvation. Dried milk to the Hungarians would be something like dried octopus or worm dust to the Americans even though these foods are considered highly in favor in certain countries.

e. Such a proposal could result in a nasty debate in Congress, particularly at a time when the Soviet's are stepping up aggression in the Far East.

f. The present policy is not to grant passports to U. S. civilians for travel in the USSR and Satellite states. State also expressed concern that if this policy was revised to allow welfare representatives into Hungary there would be the problem of getting them out again free of trumped up charges that the Americans were spying or distributing contaminated food behind the Iron Curtain.

In summing up the consenses of opinion was that subject proposal is untimely because there appears to be no acute shortage of food in Hungary at this time; the American public would not be receptive to the idea in view of recent Communist aggression in Indo-China; and the fact that the situation in the Far East is rapidly building up to what may be a very serious food problem requiring all our food surpluses for real emergencies affecting our Allies.

5. There is to be another meeting on the subject in Mr. Schaetzel's office at 10:00 a.m. tomorrow. My only comments during the meeting were that the problems outlined in paragraph 4 above appear to be difficult ones to overcome; however, the CIA would appreciate being kept informed as to any further developments concerning the proposal.

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